



KZN FEDERATIONS WORKSHOP

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FOCUS OF PRESENTATION



- Role of the NLB
- Accessing NLB funding
- The proposed funding policy
- Differentiated grants



ROLE OF THE NLB



- Founding Act – Lotteries Act, 57 of 1997
- Responsibilities are two-fold:
 - Regulatory
 - Trustee of the NLDTF
- DTI
- Gidani
- Distributing Agencies



NLDTF legislative priority



2010 NLB Regulations:

“The priorities for distributing the funds must contribute to developmental needs, enhancement of social and moral responsibility, and economic viability of programmes designed to advance rural, under privileged and poor communities.”

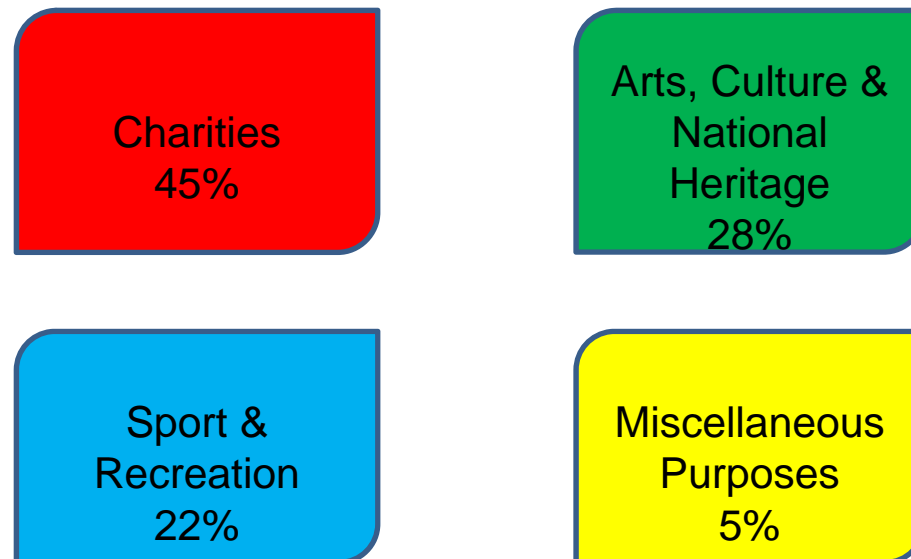
- Poverty alleviation
- Consider Governments strategies e.g. NDP
- 5% to each province
- Poor rural and disadvantaged areas
- Vulnerable groups e.g. children, women and the disabled
- Development of facilities for talent development
- Increase access to sports facilities to all, including people with disabilities



NATIONAL LOTTERY DISTRIBUTION TRUST FUND (NLDTF)



Average budget per annum = R2 billion





Who is eligible for funding?

- Non-Profit Organisations (NPOs)
- Non-Governmental Organisations (NGOs)
 - Public Benefit Trusts
 - Section-21 Companies
- Municipalities and Parastatal Bodies
- Institutions of Higher Learning
 - Further Education and Training Institutions
 - Universities of Technology
 - Universities
- Public Schools (EMIS number)
- Provincial Academies of Sport
- National Sports Federations
- Affiliates to National Sports Federations
- Sports Bodies
- Recreational Clubs

Initiatives within the NLB mandate



Sport and Recreation sector:

- Talent identification,
- Participation in national and international recognised events,
- Infrastructure development and admin
- Coaching skills development.



Funding requirements – mandatory documents



- Prescribed Application **Form (2010/1)**
- **Registration Certificate / Proof of Affiliation**
- Signed & dated **Constitution / Founding Documents** – with dissolution clause
- Two most recent and consecutive sets of **Annual Financial Statements** - signed & dated by an accounting officer/auditor registered with an NLB recognised professional body
- Signed & dated **Auditor's or Accounting Officer's Report**
- Detailed project **Business/Implementation Plan**
- Detailed **Project Budget**
- **Project Motivation**

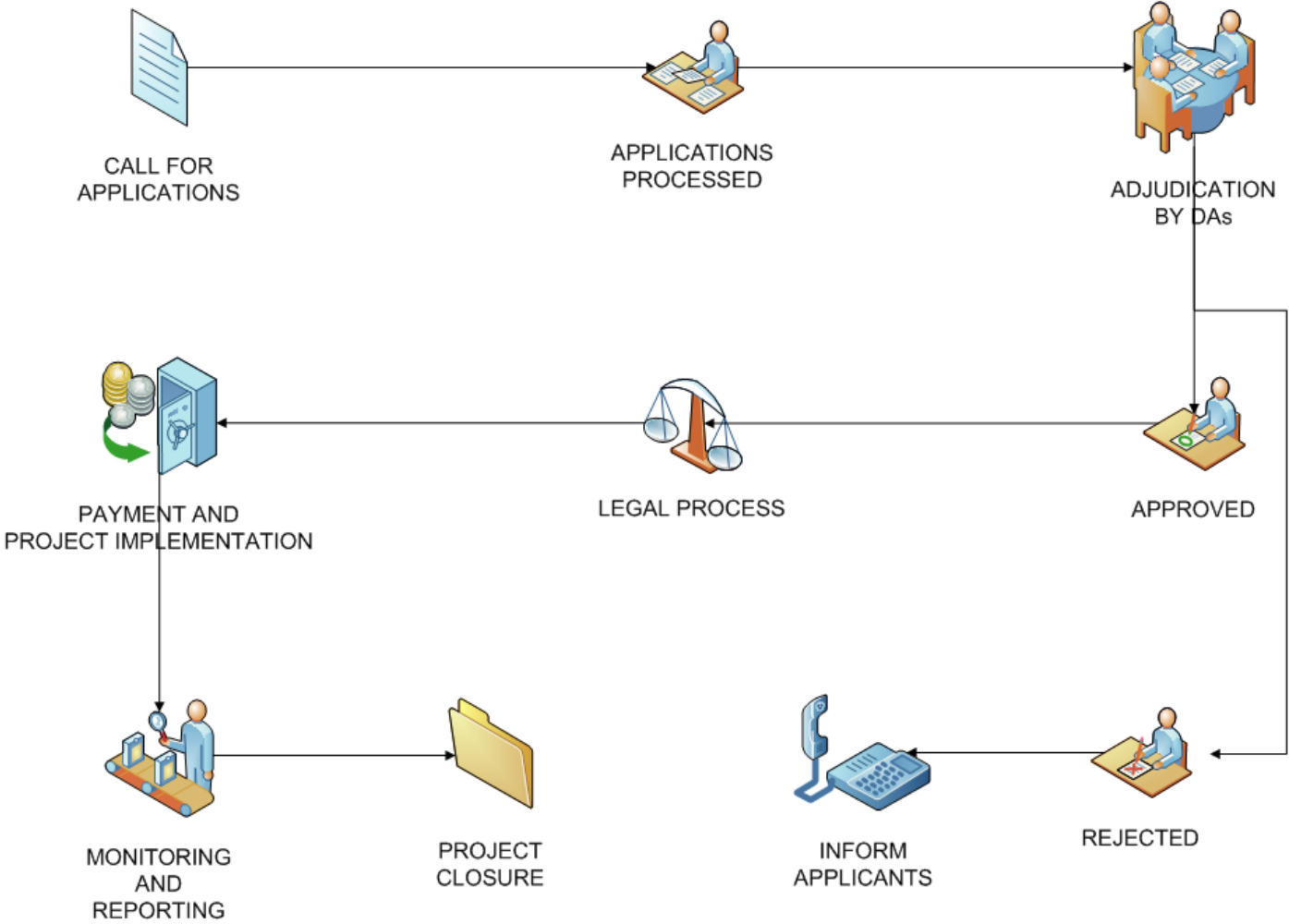


Additional supporting information

- Certified copies of South African ID documents of main contact persons and management committee
- Quotations for assets and infrastructure projects.
- Projects involving fixed property:
 - Offer to purchase
 - Architectural plans
 - Proof of land ownership
- Sports Clubs and Provincial Sports Structures - proof of recognition from relevant National/Provincial Sports Federation or SASCOG



Application process



Challenges

- **High rate of declines as a result of:**
 - Incomplete documentation
 - Unacceptable financial statements
 - Unregistered accountants / auditors
 - Documents not in the name of applicant
- **Applications falling outside the mandate of DA**
 - Wrong sector
 - Non-fundable activities, projects or items
- **Corporate governance not strong enough**
- **Grant Agreements not properly signed**
- **Grant Agreements not being read/complied with**



Challenges continued

- Incorrect, incomplete or unsatisfactory progress reports
- Improper record keeping when implementing the grant
- Delays in submitting additional information requested
- Failure to give the NLDTF adequate recognition
- Unauthorised consultants who pose as “agents of NLB”
- Unauthorised deviation from project plan/Grant Agreement
- Applications being submitted just before the deadline and expecting a quick response



Proposed NLB funding model

- Respond to the challenges of poverty and inequality
- Demonstrate the relevance of NLDTF funding to develop practical and effective solutions to address these challenges.
- Two modes of funding:
 - Application-based (as per the past 15 years)
 - Proactive funding (in line with Government's plans)
- Application-based
 - Single call for applications or more than one call with targeted focus
 - Guidelines for applications
- Pro-active
 - Will help achieve strategic objectives of the NLB e.g. Provincial spread
 - More complex and therefore longer time frame
 - Innovative projects with greater impact
 - Emergency support for natural and other disasters



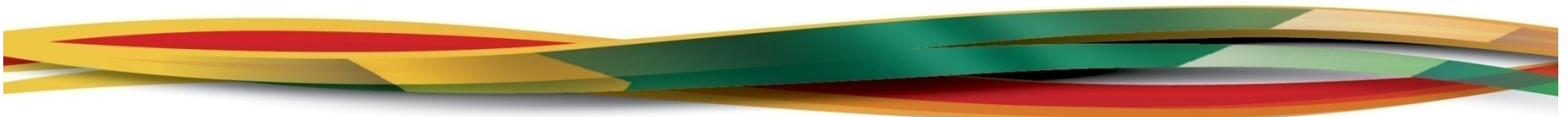
Differentiated grants

- Introduce different categories of grants – small, medium and large
- Differing requirements for categories of grants
- Multiple year funding
- Capping the amount of grants in order to have a wider spread
- NLB will work with recognised intermediaries
- Umbrella/Mother bodies will be restricted to a single coherent project with a single objective for local sites managed by them
- Exclusive bank accounts that will be monitored/audited
- Partnership applications to assist newer and less established organisations, which will have capped amounts and a restricted number of partners



Other issues

- Curbing fraud and corruption
 - Enhance verification processes
 - Develop risk profiling methods
 - Verification of other donors
 - Identify forms of corruption that will be publicised
- Dependency on NLDTF funding
 - Applicants must show other sources of income
 - No more than 75% of previous years budget
 - Consideration of operational vs. programme costs
- Partial funding
 - NLB will fund aspects of a project
 - Applicants must demonstrate viability of the project with the partial funding
- Education and awareness
 - Education and awareness campaigns at no cost during the call for applications began in 2010
 - This resulted in the more than doubling of the number of applications and longer turnaround times





Thank You

NLB Information Call Centre: 08600 65383

Website: www.nlb.org.za

